Sanitized Copy Approved for Release 2010/08/13 : CIA-RDP91-00587R000201140001-5

ARTICLE APPEARED ON PAGE 1 Pt. 1

LOS ANGELES TIMES
4 December 1986

FILE ONLY

Calif. Iranian Called 'Brain' in Arms Deals

By ROBERT L. JACKSON and GAYLORD SHAW,
Times Staff Writers

WASHINGTON—California businessman Albert Hakim has emerged as the suspected financial mastermind of a secret operation to aid Nicaraguan rebels with millions of dollars in profits from the sale of U.S. arms to Iran, sources familiar with the investigation of the operation said Wednesday.

Hakim, a resident of Los Gatos, south of San Jose, was enlisted in the Iran arms network by a business associate, retired Air Force Maj. Gen. Richard V. Secord, the sources said.

Secord in turn served Marine Lt. Col. Oliver L. North, a staff member of the White House National Security Council until he was fired last week, as the "operational head" of the clandestine weapons shipments, the sources said. They stressed that they knew of nothing so far to indicate any illegal acts on Hakim's or Secord's part.

Naturalized Citizen

"North's two biggest functionaries were Secord, who handled operational details, and Hakim, who handled the financial details," one source said. Hakim, 51, is a former Iranian entrepreneur and a naturalized U.S. citizen.

Attempts to reach Hakim for comment were unsuccessful, and Richard N. Janis, Hakim's Washington attorney, declined comment on Hakim's activities and said he would not provide any information on his client's business career or personal history. Secord declined comment through his attorney.

A Swiss finance company to which Hakim has financial ties reportedly provided the banking channels used to funnel profits from the arms sales to the Nicaraguan *contras*, the sources said. They identified the firm as Compagnie de Services Fiduciaires S. A. of Geneva, also known as CSF.

The Times of London, quoting sources with knowledge of the transactions, said $18 million from the Iranian arms sales was paid into CSF's account in the Cayman Islands.

FBI agents have begun questioning U.S. government officials about their knowledge of Hakim and his international business dealings, and other inquiries have been made by staff investigators for the Senate and House intelligence committees, the sources said.

Sources said North, Secord and Hakim together know many of the details of the Iran operation—some of them unknown even to each other. Among the three of them, these sources said, they know more about the operation than Vice Adm. John M. Poindexter, North's boss as President Reagan's national security adviser before he resigned on the same day North was fired, and Robert C. McFarlane, whom Poindexter replaced as national security adviser exactly a year ago.

Hakim is chief executive of Stanford Technology Trading Corp., which handles defense-related and non-defense scientific work from offices in San Jose; Vienna, Va., and overseas.

Before the fall of the shah seven years ago, the U.S.-educated Hakim represented several American firms in Iran, where he dealt primarily in radar equipment. Secord knew Hakim in the early 1970s when Secord was head of the U.S. Military Advisory Group in Tehran.

After the shah's fall, Hakim moved to California and started companies in the fields of international trade and industrial security. Secord, after his retirement from the Air Force, took an executive position in Hakim's Stanford Technology Trading Corp.

California property records show that Hakim bought a hilltop home in Los Gatos for $500,000 after leaving Iran. Two years later—in 1981—he purchased an office building in San Jose for $368,000. He is also listed as owning two condominiums with a total value in excess of $300,000.

A former associate said of Hakim: "He's essentially a businessman, a deal maker. He's not a political animal."

The ex-associate, who declined use of his name, said: "I can't see him being interested in the contras as a political cause. But he knows how to do business internationally—how to obtain letters of credit and move money from one place to another. For him, politics would mainly be a vehicle to increase business."

According to published reports, Hakim was still in Iran when he founded Stanford Technology in 1974, incorporating it in Switzerland and in Delaware. Through this company, he negotiated a contract to supply the shah's government in Tehran with a computerized telephone monitoring system believed to be part of an effort by the shah to check the loyalty of his military commanders.

STAT

In the mid-1970s, two former CIA agents, Edwin P. Wilson and Francis E. Terpil, became associated with Stanford Technology and, federal prosecutors said, used its name in such ventures as attempting to sell arms to Libya. Wilson was convicted on federal charges and is serving a lengthy prison sentence. Terpil is still a fugitive.

In an interview published last summer by the San Joe Mercury-News, Hakim said he dismissed Terpil when he discovered what was going on and later helped in the federal prosecution of Wilson.

Last summer, Hakim and several retired CIA and Defense Department officials, including Secord, were named as defendants in a $23.8-million civil suit filed in Miami by two free-lance writers who accused them of violating federal law by conspiring to supply arms to a faction of the Nicaragua contras, who are fighting to overthrow that country's Marxist government.

Hakim told the San Jose newspaper at the time that the lawsuit's assertions were "totally inaccurate" and that it was filed for political reasons. "We are simply good targets for such people to attack," he said. "I sincerely believe it is a political lawsuit. . . . Since they cannot get to the Administration, they use the people who cannot defend themselves."

STAT

Staff writers Doyle McManus, Maura Dolan and Michael Wines also contributed to this story.

Sanitized Copy Approved for Release 2010/08/13 : CIA-RDP91-00587R000201140001-5